

FUN IN THE SUN

TOURISM AND U.S. WOOD PRODUCTS IN THE CARIBBEAN

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It's no secret that the Caribbean has been an important regional market for U.S. wood exporters. Quite the contrary; in the wood products industry, it is common knowledge that sales of softwood lumber and panel products to Caribbean nations have continued to increase over the past several years.

Wood, because of its relatively low maintenance, high durability and versatility, is often a choice construction material in these tropical climes. But since these countries possess little if any domestic sources of wood products, demand must mostly be met with imported stock.

Despite the great diversity among these nations, there is one constant that drives increased sales of wood in

commerce. A stable Dominican government, coupled with sound fiscal and monetary policy, has resulted in strong economic growth and high levels of foreign investment.

Tourism has been instrumental in the strong economic growth of the past few years. Tourists, mostly Europeans, flock to the palatial hotels and resorts that now line the sun-drenched coast in such places as La Romana and

THE CARIBBEAN IS INCREASING IN IMPORTANCE AS A MARKET FOR U.S. WOOD PRODUCTS. AS TOURISM CONTINUES TO GROW AND THE ECONOMIES OF THESE ISLAND NATIONS STRENGTHEN, SALES VOLUMES ARE LIKELY TO INCREASE FURTHER.

Still, the soaring success in this region has not commanded as much attention as high-flying markets such as those of Mexico, Japan and China.

One reason that the Caribbean market is sometimes taken for granted has to do with the vastness of its reaches and the far-flung diversity of countries there. When examined one by one, most of these countries are relatively insignificant markets due to their small size.

However, when the numbers are aggregated, the region racks up truly respectable sales figures today and possesses potential for even greater expansion tomorrow. For example, total U.S. wood exports to the Caribbean Basin average about \$300 million each year, with softwood lumber and softwood plywood taking the lead.

all cases — the continued boom in the tourism sector.

Everywhere from the Dominican Republic to Jamaica to even smaller island nations, large multinational hotel and resort chains are investing substantial revenue in the national economies.

To handle the increasing number of tourists, many Caribbean countries are investing in the upgrading and expansion of airports, roads and port facilities.

BUILDING SUCCESS IN THE DOMINICAN REPUBLIC

The Dominican Republic is perhaps the best example of the increased emphasis on developing infrastructure for both tourism and other types of

Vavaro. Road construction and port rehabilitation are noticeable in the more urban areas of Santo Domingo and Porta Plata.

The wood industry has definitely benefited from these development activities. In 1999, U.S. softwood lumber sales to the Dominican Republic totaled \$45.4 million and sales of softwood plywood totaled \$10.1 million.

To a small extent, these gains can be attributed to reconstruction activities in the wake of Hurricane George; however, the brunt of the storm missed the major tourist areas located in the north and northeast of the country. This indicates that a majority of the building activity was for new projects.

JAMAICA: GOOD PROFIT THIS YEAR?

Jamaica, a well-known vacation destination for many Americans, has also placed a great deal of emphasis on the tourism sector over the past few years, and growth in this sector is expected to continue. While the Jamaican economy has experienced much slower growth than that seen in the Dominican Republic, investment in hotels and other facilities geared to tourism has continued at a good pace.

U.S. sales of softwood lumber to Jamaica totaled more than \$10 million and softwood plywood totaled \$2.8 million. In addition, the Jamaican government has put forth an ambitious plan to modernize the national highway system and expand and upgrade port facilities, all of which provide new opportunities for U.S. wood exporters.

EVERYONE WANTS A HOUSE IN THE BAHAMAS (BAHAMIANS MORE THAN ANYONE)

Another tropical paradise frequented by both American and European tourists is the Bahamas. Recent efforts by the Bahamian Government have focused on three areas that affect wood-products sales: improving the housing situation for Bahamian citizens, development of port facilities and continued expansion of the nation's tourism sector.

These areas of development have not only served to aid in the expansion of the Bahamian economy, but they have also been responsible for large increases in the amount of U.S. wood products sold in this market.

In 1999, total U.S. wood exports to the Bahamas reached \$56 million, led by sales of softwood lumber, softwood plywood and other wood-building products like glulam and doors.

The Caribbean is an extremely diverse region in everything from language and

culture to population. However, the one factor that sustains the economic growth in all of these countries is tourism. Since many have yet to build and equip facilities that can handle the ever-increasing numbers of tourists, multinational corporations, governments and individuals are investing huge sums of capital in construction that will meet these needs. All of this spells an excellent opportunity that U.S. wood exporters can build upon.

For more information on exporting wood products to the Caribbean or other markets, contact Andy Salamone of the Forest and Fisheries Products Division of the Foreign Agricultural Service (FAS), U.S. Department of Agriculture at Tel: (202) 720-2849, Fax: (202) 720-8461 or Email: Salamone@fas.usda.gov ■



TO BELIZE — AND BEYOND

It appears that the Caribbean market trend is moving into new territory farther south into some Central American countries. The most notable is Belize. While a relatively small market, Belize possesses several attributes that make it a favorable location for development. On one hand, it is both politically and economically stable. Perhaps more important to the tourism industry, Belize possesses a wide variety of attractions such as rain forests, Mayan ruins and world-class scuba diving. As a result, more and more tourists are heading for Belize and more and more resorts are being built to handle them.

The increased emphasis on tourism in Belize has not gone unnoticed by the U.S. wood industry. Trade statistics clearly show this. For example, in the first seven months of 1999, U.S. softwood lumber sales to Belize totaled \$7,000. For that same period in 2000, sales stand at \$2.8 million.

A similar trend is seen when examining sales of softwood plywood. Sales in the first seven months of 1999 totaled \$861,000 and for the same period in 2000 they total \$5.7 million. It is uncertain whether this high volume of sales will continue, but all indications seem to point that way.

In addition, tourism is becoming more important in the economies of other Central American countries, such as Guatemala, Panama and Costa Rica.